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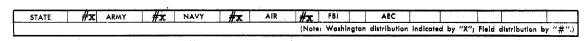
INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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- With the exception of teachers, engineers, physicians, artists, and high-ranking government officials, only one room was granted to a childless married couple in Budapest. When there were three persons in the family, another room could be obtained. A family consisting of a husband, wife, two children, and grandparents was entitled to a three-room apartment according to housing regulations. However, when the number of rooms exceeded the number of persons in a family, the additional room, or rooms, was confiscated by the District Council who gave it to another family; thus, an apartment occupied by one family could easily be used for two families with both sharing the same kitchen and bathroom. Still, the type of situation described above was considered to be good because, more frequently, at least three families lived together in the same apartment and shared the same kitchen and bathroom. As a result, a fairly high percentage of legal cases brought before the courts was concerned with housing problems.
- As another illustration of the bad housing conditions, five or six persons frequently lived in one room which had been former stores. These former stores had no kitchen, no bathroom, a concrete floor, and no ventilation. It was also very common to see advertisements pinned on trees along the streets of Budapest offering 1,000 forints to anyone who could supply the address of an available furnished room. The rents of these furnished rooms varied from 200 to 500 forints a month; the average monthly income of an individual was 700 to 800 forints. Sometimes, young married couples with no parents to live with had to live separately for a year or more because they were unable to find one room where they could live together.
- 3. Although the majority of the dwelling houses in Budapest were destroyed during the war and had been reconstructed by the owners before nationalization, there was an acute housing shortage. This was not due entirely to war damages but was also due to the lack of

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new housing construction as well as to the expanding Hungarian bureaucratic administration which found it necessary to convert dwellings into offices. During the ten years of the Communist regime, too few units were constructed in Budapest to satisfy the growth of the population; further, during this ten-year period, fewer housing units were built than during any one year before the war. In 1954, the government began a housing campaign in Budapest and constructed a total of about three hundred apartments. All these units were constructed from the same blueprint and were identical. There were very few three-room apartments; most had one or two rooms. The size of a room was a maximum of four by five meters; there were no elevators or central heating in the houses and tiles could not be used to cover kitchen and bathroom walls. At a housing project on Rona Street, where about 400 apartment units were under construction, there was only one bathroom for every five apartments. Nevertheless, persons who could obtain these newly-constructed apartments were very satisfied to be able to move out of the hovels they had formerly occupied. Generally, the new apartments were given to families which had many children, although, in some cases, single persons with good connections at various ministries were able to obtain them. Even Szabad Nép criticized the unfairness of this situation.

- 4. The sale of all apartments was handled by the FIK (Fovarosi Ingatlan-közvetitő Vallalat -- Real Estate Company). While FIK paid as little as 4,000 forints for one room and the same sum for each additional room, an individual who wanted an apartment was required to pay at least 10,000 forints "key money" to the FIK. The key money for a two-room apartment, which included a hall, kitchen, and bathroom, cost at least 25,000 forints. The FIK did nothing to assist a buyer. A person who could afford to pay key money had to find his own apartment, make all necessary arrangements with the owner and then, with the FIK, pay for the transfer of the apartment. Only very seldom did FIK even have the addresses of apartments or rooms which were for sale. When a person wanted to sell a room or an apartment, he usually did not go to FIK because FIK would buy each room for 4,000 forints and would then sell it for 10,000 forints.
- 5. When a person who could afford to pay for an apartment registered as a sublessee, he could not legally buy an apartment because of his status as a sublessee. He was required to obtain an assignment from the District Council, which was a very complicated matter. When an individual had the money and the address as well as an oral or written agreement with the owner, he advised the Council of the address; however, very often, the District Council assigned the same apartment to a family living under more miserable conditions than the applicant. When the District Council had the address of an available apartment, there were literally hundreds of applicants for the apartment and, unless an individual had five or six children and was living in a stable, he had a poor chance of getting the apartment. In a case of this type, the individual had to wait several years until all the large families had been given apartments.
- 6. Almost everything could be arranged for and bought quite easily in Budapest except the acquisition of an adequate apartment; however, to evade the many housing regulations and laws in existence was one of the more serious risks.

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